

REGIONAL

VCBank CEO lays out plans



■ JANAH: New venture

The board of directors of the recently created Bahrain-based **Venture Capital Bank (VCBank)** has approved senior appointments to the management team, with Abdul-Latif Janahi named as chief executive officer (CEO). The bank was granted an Islamic banking licence by the Bahrain Monetary Agency (BMA – central bank) in June (MEED 1:7:05).

VCBank is capitalised at \$66 million, paid up by 80 founder shareholders, about 50 per cent of them from Saudi Arabia, 25 per cent from Kuwait and 15 per cent from Bahrain. The shareholders have authorised the board to double capital at a time of its choosing. The bank will provide sharia-compliant venture capital to small and medium-sized

enterprises (SMEs). The focus will be the GCC, followed by the wider region, but VCBank will also look at global opportunities if the venture benefits to its core region.

“The idea was born about a year ago between myself and the bank’s chairman, Ghassan al-Sulaiman,” Janahi told MEED on 1 November. “We were looking at adding a further dimension to the regional Islamic financial services sector that would add more value to the region’s economies than investments in buildings and real estate, while SMEs are suffering. Our mission is to create a pioneering model and to take the lead in institutionalising investment in SMEs, which is currently done on a scattered basis.”

VCBank is looking at an investment horizon of four-seven years and will invest across sectors. “We will target companies with expansion potential in the medium term – for example, family businesses. VCBank can invest with them, strengthen their balance sheet and then help them go public” says Janahi.

Several transactions are already in the pipeline in Bahrain and VCBank plans soon to launch a private equity fund jointly with US-based private investment group **Global Emerging Markets**.